Business Process Documentation & Functional Specifications

Process Name:	Sell To Customers [DDO]
Version:	1
Context:	Sell
Analyzed By:	Abidemi Famuyide
Designed By:	----
Issue Date:	April 24, 2018

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Reviewed & Approved

Name	Role	Date & Signature
---	Process Owner	
---	Commercial Director	
---	Treasury Manager	
---	Process Manager - Sales	
---	Process Manager - Outbound Logistics	
---	Process Manager - Treasury	

BPMS Roles & Responsibilities

Name	Role	Date & Signature
---	Responsible for Logistics Tasks on BPMS	
---	Responsible for Sales Tasks on BPMS	
---	Responsible for Treasury Tasks on BPMS	

Abbreviations & Definitions

DDO Direct Delivery Order
FGWH Finished Goods Warehouse
BPMS Business Process Management System
SOP A member of the Sales Operations Team
ETA Expected Time of Arrival
ERP Enterprise Resource Planning

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1. Introduction

1.1 Background

The DDO process describes how direct delivery orders are fulfilled and comprises the critical steps that need to be initiated and completed for the customer to take delivery of their products. At the time of writing this document, it had been decided that the process will be improved with the aim of:

1. Improving communication with customers
2. Increasing customer and management visibility into the DDO process
3. Increasing the accuracy of the orders received from customers and the efficiency with which workflow activities are executed.
4. Improving the quality of transporter feedback to Outbound Logistics/Sales & in effect, the customer
5. Defining process ownership and key performance indicators for continuous process monitoring and optimization.

1.2 The Challenge

The objective of this project is to solve some of the challenges experienced today with the DDO process. The following are some of the problems we aim to solve with this project:

- Limited visibility of customer and management into order delivery status
- Limited feedback to customers on order confirmation
- Stockouts when customer orders are being processed due to late reservation of stock
- Delayed shipment due to end-of-month sales pressure and half-truck orders
- Delayed confirmation of payments

1.3 Stakeholders

The stakeholders that will be directly affected by the proposed changes include:

1. Sales Operations Team (SOP)
2. Distribution (Outbound Logistics)
3. Finance (Accounts, Treasury & Stock Management)
4. DDO Customers

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1.4 Affected Systems

The improvement to the DDO process will comprise a variety of changes that will be implemented with the following systems in BPMS. All the data needed for processing sales transactions like item and price information will be imported into BPMS. Any changes made in the live environment to the ERP, will be reflected in BPMS.

1.5 In Scope

The changes to be made have been categorized using a 2-prong approach of people and technology as follows:

People

- Identifying a process owner to take responsibility for the end-to-end process
- Conducting a customer survey to collate customer feedback and additional possibilities of improvement of the DDO process
- Introduction of a backup for the approval of payment receipts in the ERP
- Weekend payment confirmation
- Introducing the use of BPMS for sending out notifications at key points in the process
- Defining Key Performance Indicators that will be used for measuring process performance and achievement of successful business outcomes.

Technology

- Providing sales with a tool to check truck utilization, ETA (dependent on the lead time per depot) and any other identified criteria at the point of creating customer orders on BPMS.
- Implementation of a monitoring system that involves sending predefined notifications to customers and key process participants at specific trigger points in the process to improve feedback to customers and facilitate effective workflow.
- Creating a functionality to send messages to customers when necessary in addition to the predefined notifications already sent as part of the process. For example, in the event of a shipment delay.
- Reserving stock for a specific number of days. This reservation is forfeited if payment receipt extends beyond the specified period of three working days.

1.6 Out Of Scope

- Process steps already being executed using Hansa ERP
- Processes that support the DDO process - Stock management, production, etc.

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1.7 Future Improvements

- Working with Transporters that have the capacity to provide geolocation data
- The use of GPS for tracking Transporter vehicles (Cost may be borne by the company through amortization or by Transporters).
- Functionality to consider margins when sending half truck vs full truck
- Intermittent warnings/notifications (frequency to be determined) that warns Outbound Logistics of order shipment and request for shipment follow up.
- A truck follow up procedure so that DDOs are followed on a daily basis. Process officers will, on a daily basis, collect truck location information and process them to spot possible delays. This processing could be done in a second step with the help of an information system and interactive maps but will be done manually at the start. This data collection should be facilitated by transport companies and should appear in the transport requirements for future negotiations/discussions.

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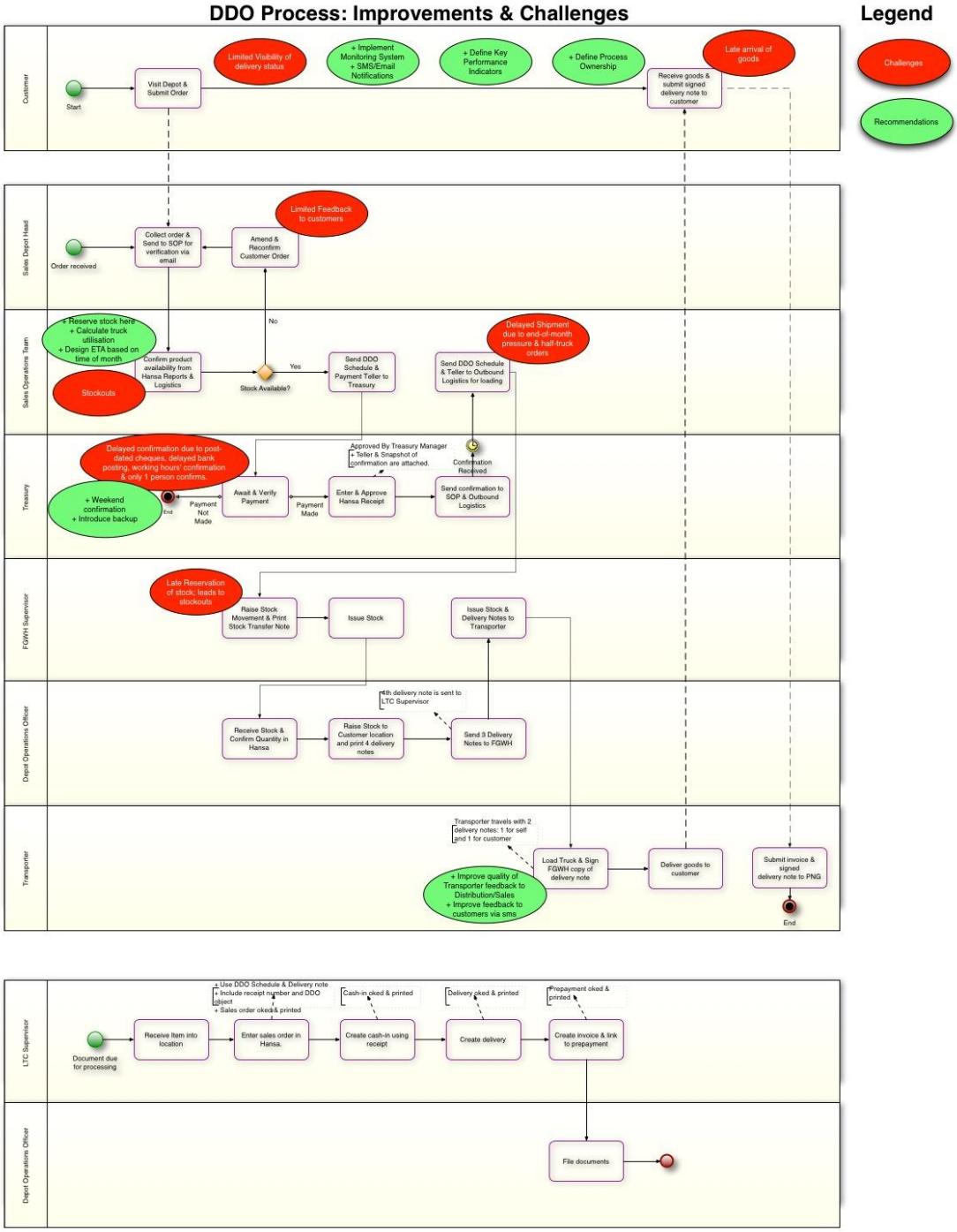
2. DDO Process: Improvements & Challenges



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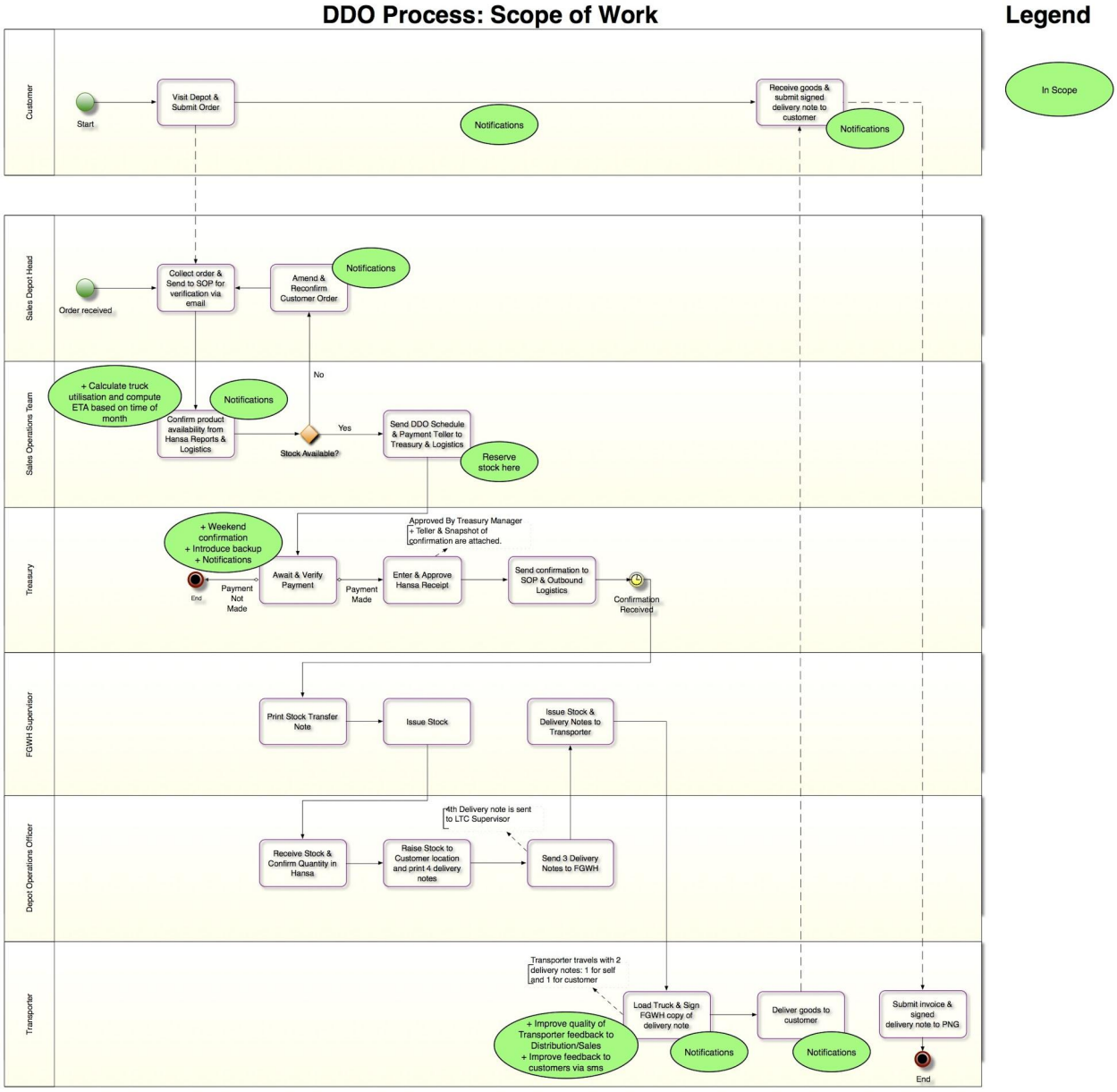
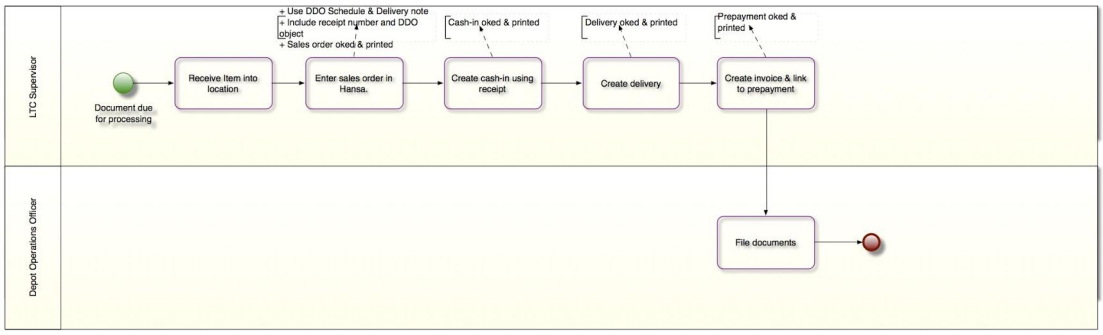
3. DDO Process: Scope of Work





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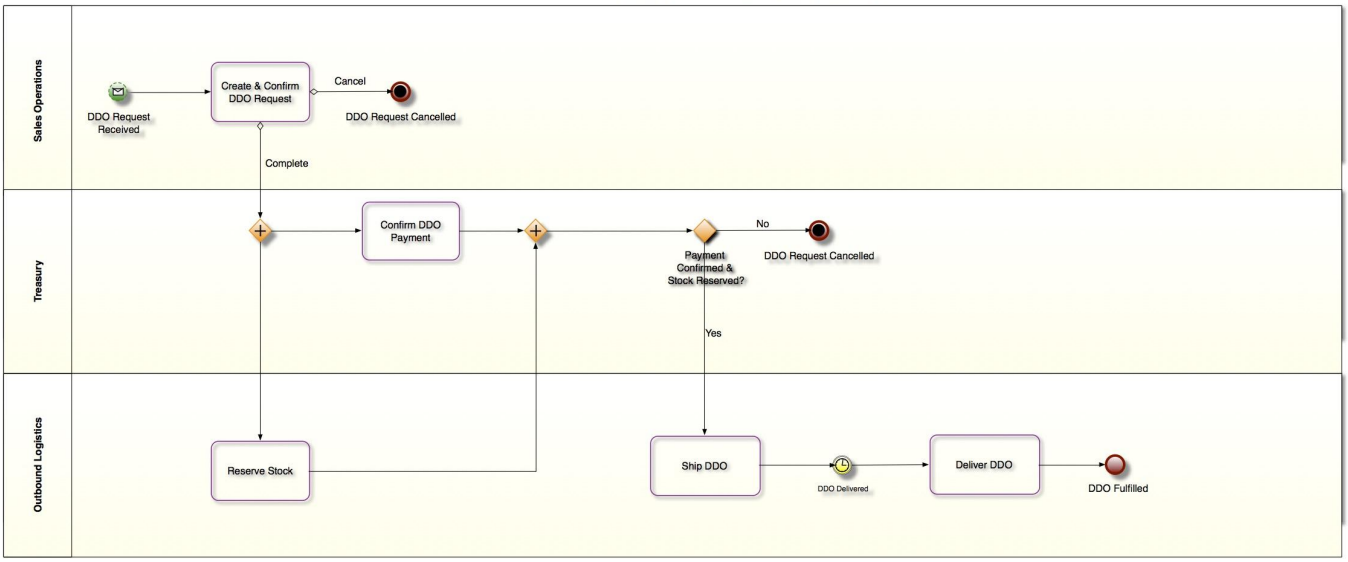
4. Functional Specifications & UI

BPMS DDO Process



This BPMS process is based on these principles:

1. It is better for the user to manually indicate which point they are in the process and trigger the delivery of SMS to customers and key stakeholders.
2. The system should record the timestamps associated with sending messages to stakeholders
3. At each change in status, signified by the completion of certain process tasks, key stakeholders shall receive notifications of the **status** of the order and the **next steps** to be executed, where applicable.

This shall be implemented according to the following specifications:

4.1 Create DDO Request

1. Once a DDO Request is received by SOP from the Sales Depot Head, they shall confirm product availability in Hansa, through the FGWH Supervisor and liaise with the Sales Depot Head to see if any item replacements need to be made.
2. Sales Operations Team shall create a new case of the DDO Process on BPMS once an order has been received from the Sales Depot Head and availability of items has been confirmed
3. A mockup of the step application screen is as follows:

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Direct delivery order

Business name	His Grace Ify Enterprises.	**Payment**	
Code	101498		
Depot	Umuahia.	**Tellers UBA**	TRANSFER PAYMENT
		Total Paid	NGN 11,585,400
Full delivery address	XI/II Umuahia main Market. Umuahia.		
Order date	03/04/15		

Brand	Quantity	Unit price	Unit price VAT Inclusive	Amount	Weight	Volume
Miksi Sachet 10 Naira Price Point (Single Serve)	1300	4,100.00	4,305.00	5,596,500	1.44	0.00
Loya 400g Sachet	100	2,042.86	2,145.00	214,500	4.80	0.01
Onga 5 - 6g Sachet Classic	600	4,120.00	4,326.00	2,595,600	2.16	0.00
Onga Industrial 3kg Stew	300	5,473.74	5,747.43	1,724,228	3.00	-
Toptea 200g Pillow Pack	200	5,126.22	5,382.53	1,076,506	2.40	0.01
Ginger Flavoured Tagged Tea	200	1,800.00	1,890.00	378,000	1.14	0.02

Truck utilization	9%	**Total of invoice**	11,585,335	**14.94** **0.05**
	Truck utilization will induce 3 days delay	**Total Paid**	11,585,400	
		Difference	65	

4. The requirements are explained as follows:
    a. **Order Identification:** Each DDO case created shall have a unique identifier (Order shall be optionally identifiable by date and time of creation)
    b. **Order Selection:** In the event that a DDO is cancelled, SOP shall be able to pull up existing/past records from a drop-down list of past DDO records to prevent having to create the same data sets manually should an order need to be recreated. This functionality may also be used as a reporting tool.
    c. **Order Selection Filter:** Insert a filter that the user can use to select the exact DDO that needs to be pulled up.
    d. **Item Selection:** Item selection shall be possible either by item code and/or by item name.
    e. **Truck Utilization:** Information on truck utilization shall be displayed as soon as the order is created and customer indicates they have finished creating their order
    f. **Truck Utilization Percentage:** This shall be calculated using the standard truck type attached to the depot that a customer is linked to. Weight and volume of the item shall be compared to the Weight and volume of the truck. The most appropriate of the 2 (weight and volume) is applied to indicate the percentage utilization of the truck based on the number of goods created in the order.
    g. **Truck Utilization Percentage**: This shall be flagged in red if it is less than 80%.
    h. **Update Prices Button:** This button shall allow the most up-to-date prices to be downloaded to FMP. The script shall run on the server to ensure minimal

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disruption. This will ensure that the user has access to item prices and only uses the most up-to-date information for computation.

i. **DDO Flag:** The system shall flag any order value less than 25 Million Naira in red. This flag is merely informational and shall not prevent the user from completing the creation of the DDO.
j. **Timestamp:** Once the task is completed, the system shall record the timestamp of the DDO request creation.
k. **Price:** The price field shall be editable for all bulk items selected, excluding FGs
l. **Notification & Notification Recipients:** Once the task is completed, the following notifications shall be generated:

Notification Mode	Notification Content	Recipient	Frequency
SMS & EMAIL	**Payment Confirmation Request:** A confirmed order has been received from customer X. Kindly initiate payment confirmation before [today's date + 3 working days] Once completed, kindly log into BPMS to complete the task. Please be informed that any payment confirmation task not acted upon within 3 working days will cause the stock reservation to be cancelled.	**Treasury**	Reminder Email to be sent after [today's date + 2 working days].
SMS & EMAIL	**Stock Reservation Request:** A confirmed order has been received from customer X. Kindly initiate the stock reservation process. Once completed, kindly log into BPMS to confirm stock reservation.	**- Outbound Logistics** **- SOP**	**Once**
SMS	*"Dear [Insert Customer Name], please be informed that your directly delivery order has been confirmed. While payment confirmation remains pending, please note that we are only*	**- Customer** **- Sales Depot Head**	**Once**

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	able to reserve your order for 3 working days.		
EMAIL	*Subject:* **Direct Delivery Order Confirmation** *Dear [Insert Customer Name], please be informed that your directly delivery order has been confirmed. The details of the order are as follows:* ***List out:*** *1) Items, 2) Quantity, 3) Unit Price & 4) Total Price Including VAT, Truck Utilization & Disclaimer: Please be advised that stock reservation will be reversed if payment confirmation is not received within 3 working days.*	**- Customer** **- Sales Depot Head**	**Once**
EMAIL/SMS	*Subject: Credit Utilization* *This is to inform you that Customer X has completed a transaction to the tune of NGN X million on credit.* *Kindly update the customer's record appropriately*	**- Accounts** **- Customer** **- Sales Depot Head**	

m. **Case Cancellation:** While the Layout is still active, SOP may choose to amend or cancel the order as many times as is required.
n. **Mandatory Checkbox: Insert this text "**I have confirmed that the stock for fulfilling this order is available on the ERP". User must agree to this condition in order to complete the task.
o. **Optional & Dynamic Payment ID Fields**: SOP may desire to provide teller numbers instead of an upload. A functionality to add teller numbers dynamically shall be provided. Where a teller number has been provided, the mandatory section for uploading evidence of payment shall be relaxed.
p. **Credit Customers [Upload & Amount Field]:** For credit customers, evidence of approved credit limit shall be uploaded as specified in the section below. A field shall also be created to allow SOP indicate the amount of the customer's credit limit to be utilized. This amount shall be used in the notification to Accounts and the Customer.

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q. **Notification To Accounts For Credit Customers:** For credit customers leveraging their credit for DDOs, an email will need to be sent to Accounts indicating the amount of credit utilized.
r. **File Upload:**
   i. Evidence of Payment
   ii. Evidence of any credit approval needed to sell to a customer
   iii. Evidence of any existing rebates to be applied

4.2 Confirm DDO Payment

1. The user interface shall be the same as that of the **Create DDO Request** step
2. A task to confirm DDO Payment shall be created for Treasury Supervisor on completion of the **Create DDO Request** step
3. The Treasury Supervisor shall confirm or not confirm the request in order to complete the task
4. A mandatory comment field shall be provided for the Treasury Supervisor to indicate the reason for non-confirmation if this status is selected
5. Treasury Supervisor shall be able to download all the documents (evidence) that were uploaded by SOP
6. The system shall escalate the **confirm DDO Payment** task after 3 working days to ensure that the Treasury Supervisor takes an action on BPMS.
7. If the Treasury Supervisor does not confirm the payment upon completing the task, a message shall be sent to the Customer, Sales Depot Head, Outbound Logistics and key process participants [to be defined] as follows: "*Dear Customer, please be informed that your DDO request has been cancelled. Your stock reservation will now be reversed for following reason: [Insert reason for non-confirmation]. Kindly contact the Sales Depot Head in your location for more information."*
8. If the Treasury Supervisor does not confirm the payment upon completing the task (e.g. After 3 working days), BPMS shall automatically cancel the order.
9. If the payment is successful and the Treasury Supervisor confirms the payment, a message shall be sent to the Customer, Outbound Logistics, Sales Depot Head and key process participants [to be defined] as follows: *"Dear Customer, please be informed that your DDO payment has been confirmed. You will be notified when your order has been shipped".*
10. Once the task is complete, the system shall record the timestamp of the DDO payment confirmation/non-confirmation.
11. Once payments are successfully confirmed, the order can no longer be cancelled via BPMS.

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4.3 Reserve Stock

The user interface shall be the same as that of the **Create DDO Request** step.

As soon as the notification from the **Create DDO Request** step is received by Outbound Logistics, the Responsible is expected to carry out the following tasks outside BPMS:

- Reserve stock in the ERP by moving stock from FGWH location to DDO location
- Create a record of the DDO using the DDO Tracker App

Once complete, the responsible is expected to log into BPMS to confirm reservation status in order to trigger notifications to stakeholders [SOP & Outbound Logistics] as follows:

Dear All, Please be informed that the stock for Customer X is now reserved, awaiting shipment.

4.4 Cancel DDO Request

1. This may be initiated either at the point of creating the order or automatically after payment is declared “not confirmed”. DDO requests may be cancelled as part of the progression of the case or may be instigated by the Sales Operations Team on customer request. The normal BPMS case cancellation button shall be available for cancelling DDOs created on BPMS up until the time payment is confirmed.
2. Cancelled DDO requests shall be accompanied by a notification message as follows to the customer and key process participants [Sales Depot Head, Outbound Logistics]: “Dear Customer, please be informed that your DDO request has been cancelled. Kindly contact the Sales Depot Head in your location for more information.”
3. Once the task is cancelled, the system shall record the timestamp of the DDO request cancellation.

4.5 Ship DDO

1. A task is created for the Outbound Logistics to confirm that the DDO Shipment has been completed.

2. The user interface shall be the same as that of the **Create DDO Request** step without the value fields but with these extra fields:
   a. Departure Date
   b. Estimated Time of Arrival
   c. Comment Field

3. On completing the task, a message shall be sent to the customer and key process participants [Customer, Sales Depot Head] as follows: “Dear Customer, please be informed that your DDO request has been shipped. Your estimated order delivery date is [Today’s date + Delivery Lead Time”].

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4. Once the task is completed, the system shall record the timestamp of the DDO shipment confirmation.

4.6 Deliver DDO

1. A task is created for the Outbound Logistics Team to confirm that the DDO Shipment has been delivered.
2. On completing the task, a message shall be sent to the customer, sales depot head and key process participants as follows: “Dear Customer, please be informed that your DDO request has been delivered. Should you have any questions, please contact the Sales Depot Head.”
3. The user interface shall be the same as that of the **Create DDO Request** step.
4. Once the task is completed, the system shall record the timestamp of the DDO shipment confirmation.

4.7 Update Customer & Key Stakeholders

1. This is a separate process that Outbound Logistics can initiate to inform the customer that there are delivery delays. We can leverage the existing “Send SMS to Customers” process to achieve this.

4.8 BPMS DDO Report Requirements

Reports shall be provided based on the following criteria:

1. The time lapse from when DDO is initiated till the DDO is delivered to the customer
2. Time lapse for completing each step of the DDO process
3. Number of DDOs per location/customer
4. DDO volume - units/quantities

4.9 ERP-Related DDO Requirements

This section has already been implemented.

The procedure to reserve stock at a point much earlier in the process will be implemented taking into consideration the following factors:

1. Due to the fact that Sales orders are raised post-delivery to the customer, reserving stock at this point would be “after the fact”.

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2. Logistics may raise a stock movement from the FGWH to the DDO location (an action that reserves stock in the system) as soon as the email form Sales Operations is received, that is, immediately after the **Confirm DDO Request** step. This is an action that is already being done today but which should take place earlier in the process.
3. Once this is done, we will need to make a change to Hansa to ensure that if payment confirmation is not received after 3 days, the stock transfer is reversed and the stock is moved from the *DDO location* back to the *FGWH location* in Hansa.

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